Defense Acquisition University

Portfolio Management Discussion

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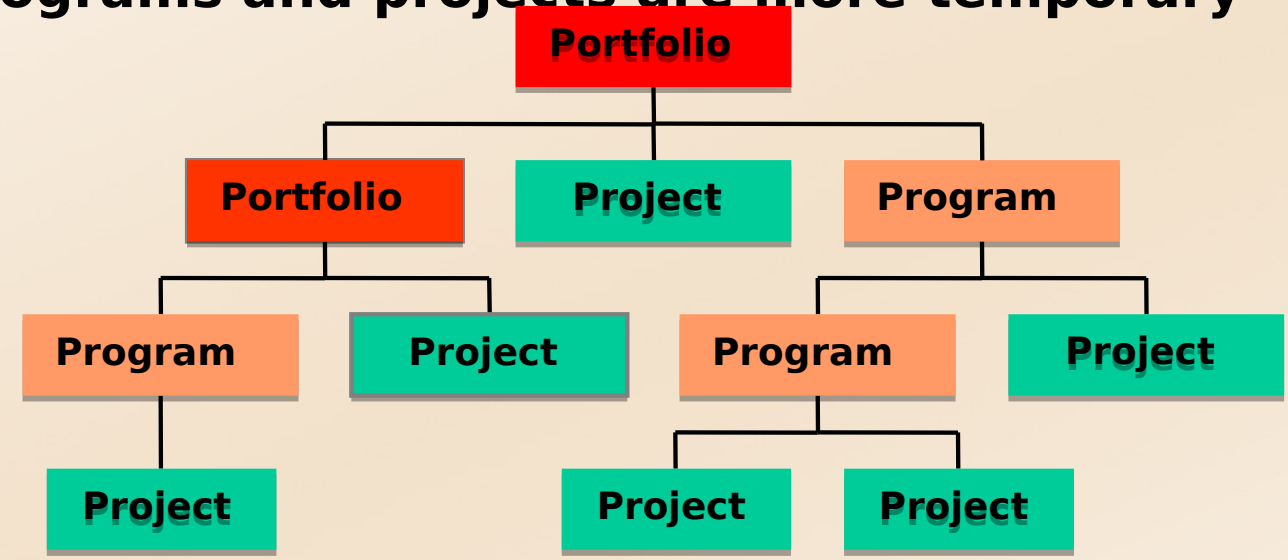
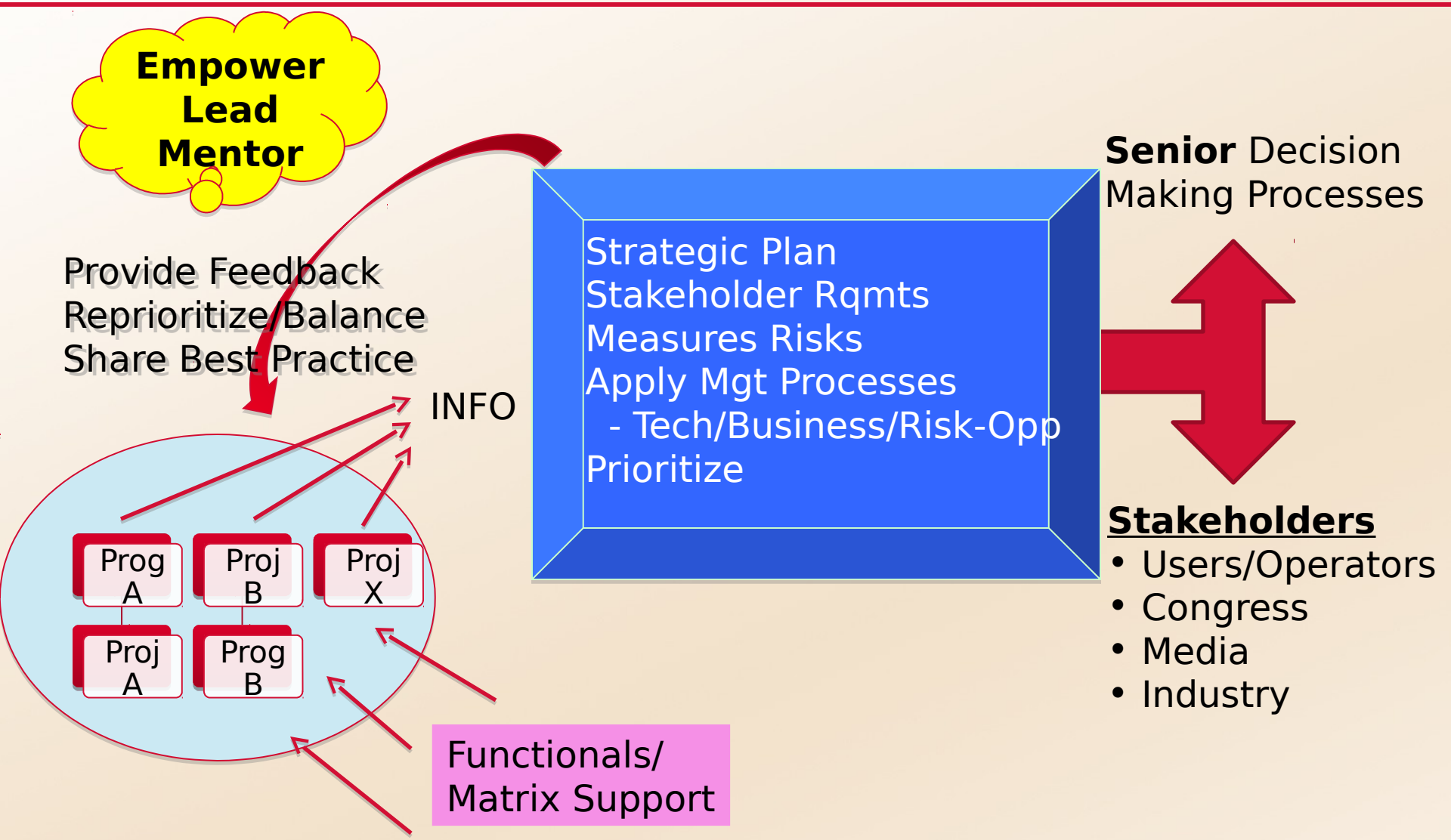
What Is a Portfolio?

- **Working definition:**
  - **Collection of programs or projects**
  - **Grouped together to facilitate meeting strategic objectives**
    - **Components need not be interdependent or related**
    - **Components can be measured, ranked and prioritized**
  - **Portfolios are longer lasting**
  - **Programs and projects are more temporary**



andard for Portfolio Management, 2nd edition, Project Management Institute, 2008

Portfolio Manager Environment



BLUF

Portfolio Manager: Doing the Right Work

Program Managers: Doing the Work Right

Adding Value

- Establish Strategic Plan – Plan out Further Than Subordinate Programs
  - Align Components With Strategic Goals And Priorities
  - Higher Headquarters/Front Office/PMs/Functionals
- Establish Portfolio Mgt Process Framework - Focus on basics
  - Organization: How do I organize for success?
  - Health Metrics: How do I know when we're doing well?
  - Battle Rhythms: How do I status?
    - Business management
    - Technical management
    - Risk and opportunity management
  - Continuously reviewing, reallocating, reprioritizing
- Establish Biz Ops/Program Control/Execution Group
- Help Subordinate PMs See Big picture…see forest from trees (Top -Down & Bottom Up Help)
  - Ensure SME support to your portfolio
  - Share best practices from other parts of the portfolio
- Take as Many Actions as you give out

Adding Value—Cont'

- **Actively Engage in Personnel Management**
  - **Includes recruitment, performance evaluation, recognition, succession planning and employee development**
- **Morale Builder/Cheerleader**
  - **Pat on the back/Gold Star/Cash Awards**
- **Management as Mentoring…not Micromanagement**
  - **Coaching relationship – PM's Lifeline**
- **Forging Relationships with Functionals Home Offices**
- **Supporting/Participating in Senior Decision Making Process**

Common Challenges

- **Strategic Thinking/Planning Deriving Integrated Capability**
- **Maintaining Internal Alignments—Diverse/Disparate**
- **Establishing Battle Rhythm for Me**
  - **Portfolio Level Blended Health**
  - **Program Health Metrics**
- **Risk and Opportunity Management**
  - **Distinguish portfolio vs program risk mgt**
- **Prioritizing and Allocating Resources**
- **Engaging Leadership and Stakeholders**
  - **Measuring and Reporting Progress**
- **Workforce Management And Development**

Portfolio and Program Battle Rhythm

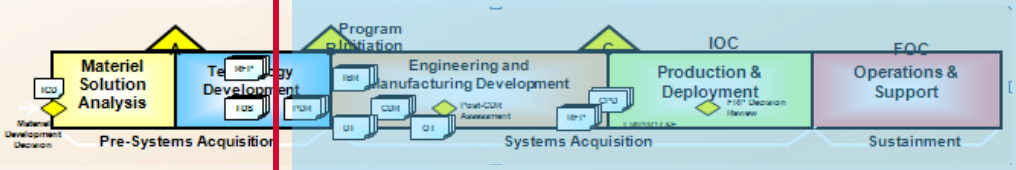
- Portfolio Level Metrics
  - IMS
    - Reallocate Resources
  - Portfolio Program Metrics
  - Earned Value
  - Risk/Opportunity

- Program Level Documentation
  - KPP (Capability) Assessment
  - Schedule (Delivery) Assessment
  - Risk/Opportunity Trends
  - Stop Light
  - Funds
  - Workforce/Manning

Portfolio Level Metrics Examples

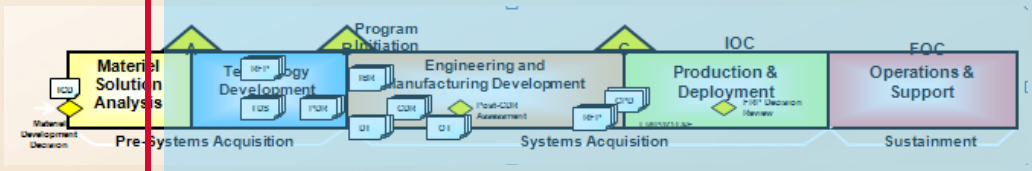
Portfolio IMS -- A Strategic Look

Program X

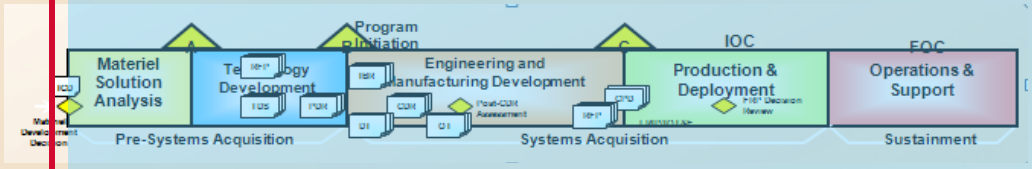


Program Y

Program Z



Program AB



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Driven by MS Project type data

Portfolio Functional Status Example

	Program Management Areas					
Program	**Information Assurance**	**Funding Execution**	**System Engineering**	**Requirements (KPPs)**	**Risk Mgt Issue Progress**	**Test & Evaluation**
A	N/A			N/A		N/A
B						
C	N/A	N/A				
D					↑	
E				↓		↑
F		↑				
G					↑	
H		↑		↑		↑
I	N/A	N/A				
J						
K	N/A			N/A		
L		↓				

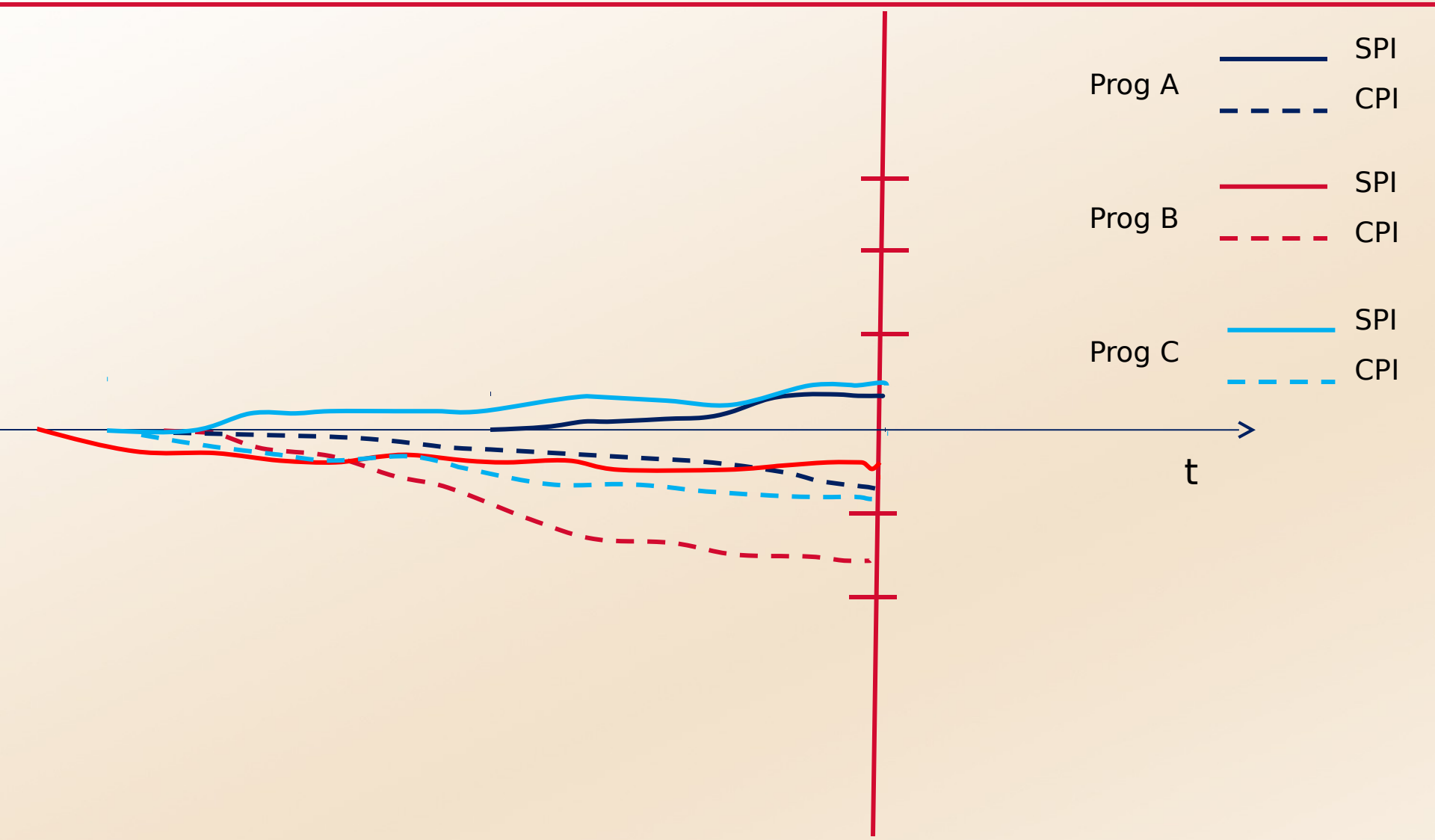
No Significant Issues or Risks Identified

Identified Issues are being worked

Issues need Management attention

Assessment not Performed

Portfolio EV Trends Example

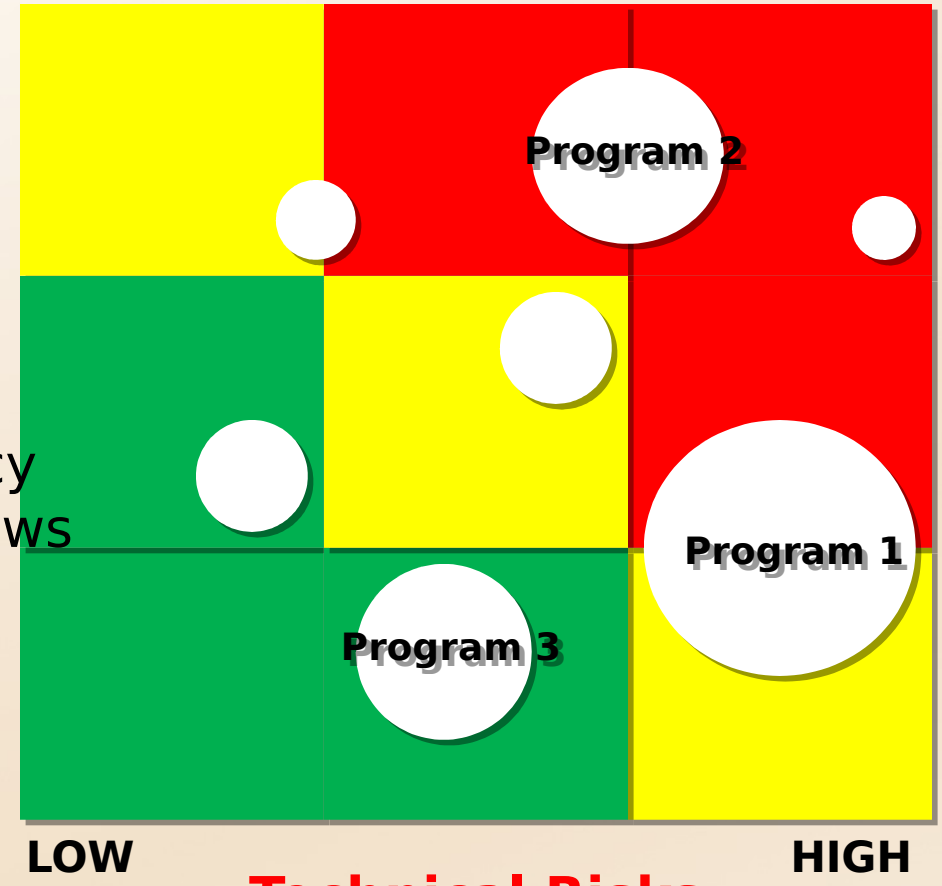


Portfolio Level Risk and Opportunity Management

- **Diagramming Portfolio Risk**

Business Risks

- Funding
- Execution
- EVMS
- Staffing
- Org Competency
- Stakeholder views
- Etc



- *Size of circle indicates investment funding*

TRLs, Drawing Completion, Status of Reviews, DT&E, etc

Balanced Score Card

(from Kaplan & Norton, The Strategy-Focused Organization)

Customer Care Abouts • C-S-P • EVMS • KPPs • Fit with strategy	**Financial & Business** • Budget • Execution
Internal Perspective • Strategic View • MS Reviews • Transition to Production • Cost Estimating • K types and Incentives	**Learning & Growing Organization** • DAWIA certification • Career development • Organizational evolution

PROGRAM REVIEW DATA EXAMPLES

Technology vs Cost

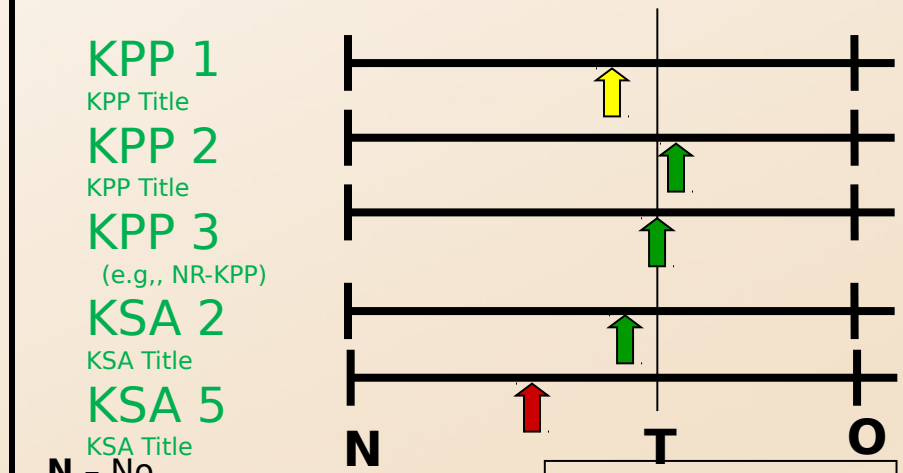
Top Cost Drivers

1. A, % of program cost
2. B, % of program cost
3. C, % of program cost
4. D, % of program cost
5. E, % of program cost

Technology Readiness Assessment

Critical Technologies	To Date	Est. @ Next Major Event
Technology A	**TRL #**	**TRL #**
Technology B	**TRL #**	**TRL #**
Technology C	**TRL #**	**TRL #**
Technology D	**TRL #**	**TRL #**
Technology E	**TRL #**	**TRL #**
Technology F	**TRL #**	**TRL #**

Performance (KPPs & select KSAs)

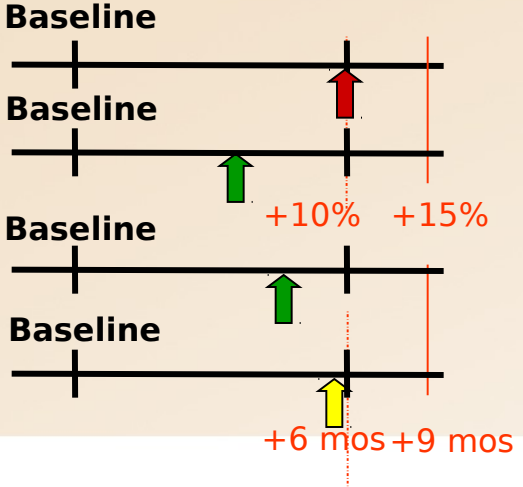


N – No Capability
T – Threshold
O - Objective

Acquisition Program Baseline (APB)

Cost
- PAUC
- APUC

Schedule
- IOC or FOC
- (Next Major Evt)

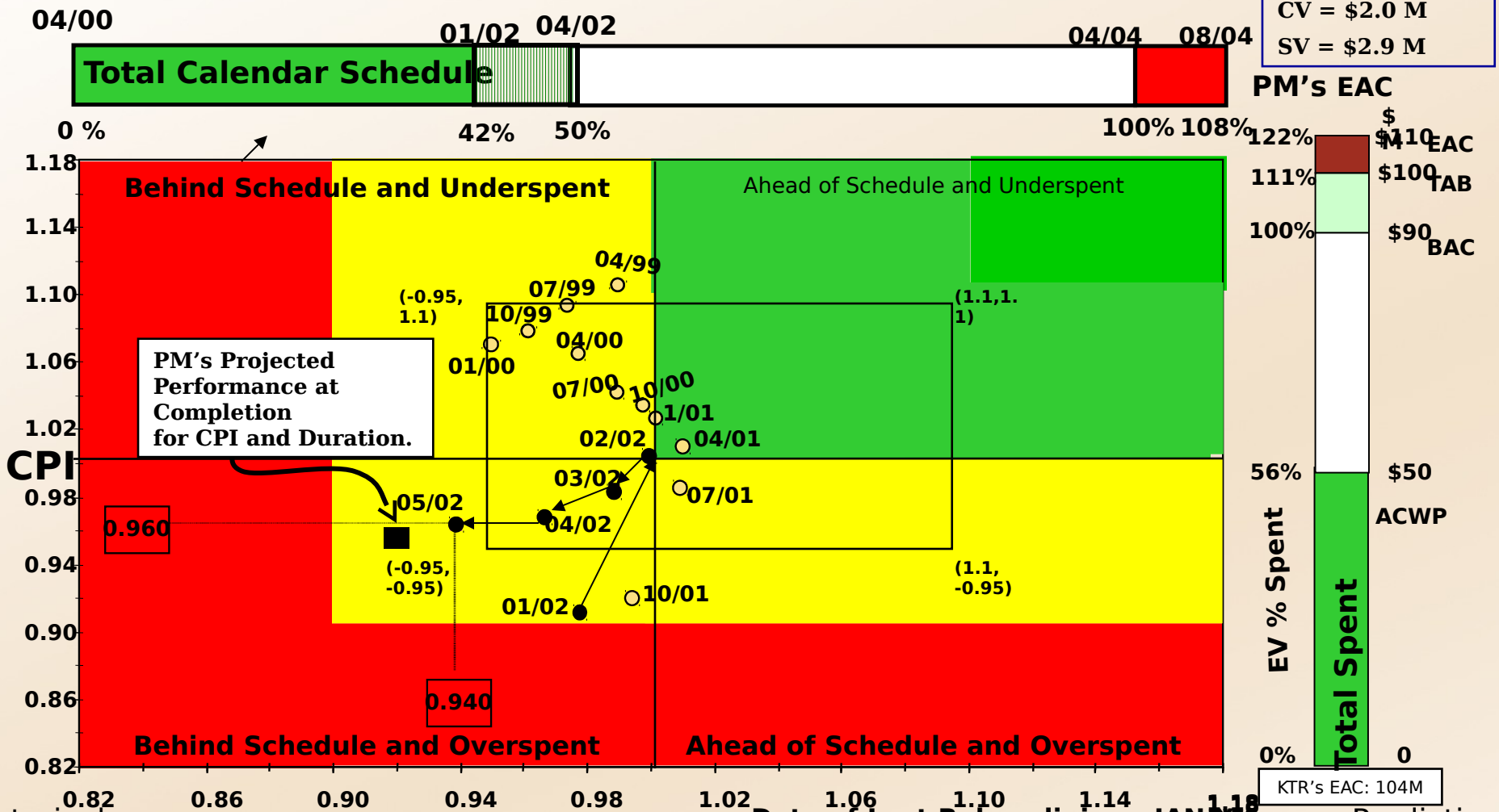


EXECUTION
CONTRACT EARNED VALUE METRICS

[give short contract title]

Axxxxx-YY-Cxxxx **Contractor Name [Prime or Significant Sub]**

[$TCPI_{EAC}$ = 0.76]
CV = $2.0 M
SV = $2.9 M



Historical

Date of Last Award Fee: MMM YY
Date of Next Award Fee: MMM YY

Date of Last Rebaselining: JAN XX
Number of Rebaselinings: 1
Date of Next Rebaselining: MMM YY

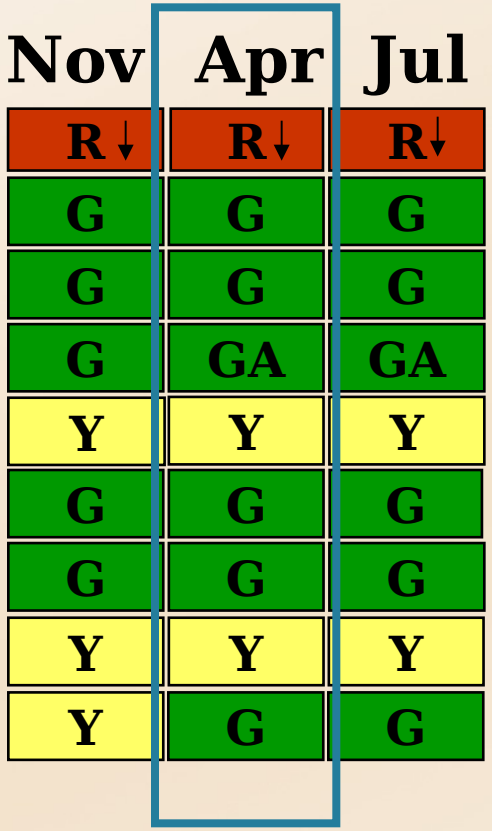
YYMMDD

Predictive

PM's Assessment Examples

Assessment Areas

- Personnel
- Performance Characteristics
- Cost
- Schedule
- Funding
- Contracts
- Combat Readiness
- Logistics Indicators
- Test and Evaluation



↑ = Improving

↓ = Worsening

A = Advisory

G Y R

Green Yellow Red

PM's Workforce Assessment
-- An Example --

LEGEND
- STABLE
- OUTBOUND (HAS ASSG/ON VUL LIST
- VACANCY
- INBOUNDS

Systems Engineering & Integration (NE)

Vacant LTC 62E3G #314562	**Vacant** LTC 63A3 #14792	**Col John Big Guy** x5437 COL 63A3 ~~#14795~~ L3 PM DAS JUL 96 **Lt Col Gerald** x2573 LTC 63A3 #14812 L3 PM, L1 SPRDE, L1 TEE, L1 Comm DAS DEC 00	**Capt** x6032 CAPT 62E3H #14913 L2 SPRDE DAS SEP 97	
Maj Michael x5421 MAJ 62E3G #314579 L2 PM, L2 SPRDE DAS 18 JAN 00	**Maj Taylor** x1798 MAJ 62E3C #14837 L3 SPRDE, L1 PM DAS NOV 95 Retire 1 AUG 01	**Vacant** CAPT 63A3 #14754		
Capt Cynthia x0914 CAPT 63A3 #14876 DAS 10 Jul 00	**Vacant** CAPT 62E3E #14841	**Vacant** CAPT 62E3E #14922		
Vacant CAPT 62E3E #14818	**Vacant** CAPT 62E3G #14813	**Lt Cheryl** x3853 LT 62E3E #273419 L2 SPRDE DAS 25 AUG 97 Code 56/AUG 01		
Lt Angel x0486 CAPT** 62E3E #273434 L2 SPRDE DAS 8 SEP 97 Code 39/AUG 01	**Lt Dimeatrius** x1156 CAPT 63A3 #14875 DAS 15 OCT 00	**Lt Mark** x6811 LT 63A3 #14843 L2 PM DAS JUL 98		
Lt Mark x2542 LT 62E3H #14856 L1 PM DAS 22 NOV 99	**Lt Eric** x2345 LT 63A3 #14903 L1 PM DAS 2 SEP 99	**Lt Mike** x0383 LT 62E3B #14857 L1 PM DAS 10 AUG 99		
Lt Heather x2742 LT 63A3 #14862 DAS 30 MAY 00	**Mr Kevin** x2060 GS303-7 #14802 L2 PM	**Lt Jeremy** LT 63A3 #14844 DAS 19 Mar 01		
Lt Jarod x6565 LT 62E3G #14902 (62E3H) DAS 17 APR 00	**Lt William** x0081 LT 63A3 #14844 DAS 1 JUL 00			

Network Development (ND)

Vacant GS-318-5 #293011				
Vacant LTC 13S3D #14773				
Capt Ryan Mantz x2028 CAPT 63A3 #14872 L2 PM DAS 23 AUG 99 Code 39/AUG 03	**Vacant** MAJ 63A3 #314588			
Capt Meggett x3145 CAPT 63A3 #14877 L1 PM DAS 8 AUG 97	**Capt Amy Ireland** x5612 CAPT 63A3 #14764 DAS 31 AUG 00			
Vacant CAPT 62E3E #314636	**Lt Roger** CAPT 33S3C #14928 RNLTD 30 JUN 01			
Vacant CAPT 62E3C #14823	**Vacant** CAPT 62E3G #14927			
Lt Johnny Harris x0214 CAPT 63A3 ~~#14851~~ L1 PM DAS 1 AUG 97	**Vacant** CAPT** 62E3E #273435			
Lt Heather x1240 LT 63A3 #14758 L1 PM DAS 31 MAY 99	**Lt Brian** x3178 LT 63A3 #14879 DAS 27 NOV 00			
Lt Jason x1260 LT 62E3C #14840 L1 SPRDE DAS 21 JUL 99	**Vacant** LT 62E3E #14921			

* Lt Humphrey and Lt Trum are double booked.

** Position recently upgraded

Summary

- Establish Your Role Play -- Balance
  - Super PM <–> Train/Organize/Equip
  - Execution <-> Support
- Disciplined Time Management
  - Have a Plan & Be Seen
  - Make Time to Network – Strengthen Relationships
- Insist on Thinking Time – Strategic Thinking
  - Plan to deal with Emails/Drive Bys/Drop Bys
- Think Big -- Keep Big Picture Perspectives
  - Visualize End-to-End/Integrated Capability
  - Set Priorities and Reprioritize as Necessary
- View Yourself as….
  - Mentor/Coach

Be Viewed as Value Added